



September 26, 2011

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California Air Resources Board
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[Submitted electronically via the capandtrade10 Board Item at
<http://www.arb.ca.gov/lispub/comm/bclist.php>]

Subject: Additional Public Comments for RULEMAKING TO CONSIDER THE ADOPTION OF A PROPOSED CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS REGULATION INCLUDING COMPLIANCE OFFSET PROTOCOLS

Chairman Nichols and Members of the Board:

The California Air Resources Board's (CARB) Second Notice of Public Availability of Modified Text and Availability of Additional Documents and Information published on September 12, 2011 requests public comments on changes that were adopted in response to comments CARB received from its July 25, 2011 posting of the availability of modified text for the State's Cap and Trade program.

Response to Modifications

We are pleased that CARB is proposing modifications which clarify the definition of Tissue manufacturing and the products included therein. We are also pleased that CARB Staff acknowledges that individual facilities may produce multiple products which span various industrial sectors and activities, and as such have provided their inclusion in the Industry Allowance Allocation methodology.

Additionally we are pleased that CARB staff has been receptive to industry input which clarifies that paper products manufacturing employs differing production technology and that there are distinctions between conventional and Through-Air Drying (TAD) paper making processes.

Product Differences Evaluation

Although we agree with some of the further modifications proposed by CARB, we are deeply concerned with Staff's conclusion that tissue produced from TAD and conventional paper making have a reasonably comparable functionality. We believe that these technologies produce substantially different products.

Regulatory Concern

As previously communicated we agree that CARB should assign emissions intensity benchmarks based on different products between or within industrial facilities. As such, **we respectfully urge CARB to recognize the functionality differences between TAD and conventional tissues and thus appropriately assign different emissions intensity benchmarks for each.**

At a minimum we encourage CARB to define what constitutes sufficiently different product functionality such that presumably similar products can be evaluated to determine if different benchmarks should be applied to each.

Conclusion

We continue to believe that our Oxnard facility should be assigned an allowance emissions intensity product benchmark unique to Through Air Drying tissue manufacturing.

We thank CARB for the opportunity to provide these comments and hope we can continue to engage with Staff to further discuss the development of the State's GHG Cap and Trade program.

Respectfully,

A handwritten signature in black ink, appearing to read 'William Sims', followed by a long horizontal flourish.

William Sims
Plant Manager, Oxnard Facility

Cc: Kim Lim, P&G
Manuel Ceja, P&G